

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP**

STRATEGIC REPORT,

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

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FOR THE YEAR ENDED 31 MARCH 2015**

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**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP**

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2015**

DIRECTORS:

C A Gaskell
H R Hopwood
N R Schofield
T J Wheeler
R P Davis
G A Barlow
T E M David
M J Ashcroft
P Waterman
H L Morrissey
M E Jones
T P O'Neill
C E Hayward
R J Mee
S M Dixon

REGISTERED OFFICE:

Richmond House
Gadbrook Business Centre
Rudheath
Northwich
Cheshire
CW9 7TN

REGISTERED NUMBER:

04453576 (England and Wales)

SENIOR STATUTORY AUDITOR: Michael Benson

AUDITORS:

Murray Smith LLP
Chartered Accountants
Statutory Auditor
Darland House
44 Winnington Hill
Northwich
Cheshire
CW8 1AU

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2015**

The directors present their Strategic report, together with the Directors' report, the financial statements and auditors' report, for Cheshire & Warrington Local Enterprise Partnership ("the Company") for the year ended 31 March 2015.

BUSINESS REVIEW

The income and expenditure account is set out on page 8. The surplus for the year of £273,975 has been transferred to reserves (2014: £226,257).

2014-15 has been an incredibly demanding, stimulating and formative one and has determined the future role for all LEPs across England.

Following submission to government of the Cheshire and Warrington Strategic Economic Plan, the blueprint for a £35 billion economy by 2030, the sub region was awarded £142.7m through a Local Growth Deal. This was a notable event for the sub-region, being the fourth highest award as measured by head of population. It was also a seminal moment for the LEP, now responsible for the successful delivery of this programme, the European Structural and Investment Fund programme and the Growing Places Fund.

The combined value of these programmes to Cheshire and Warrington is £1/4 billion. The LEP is charged with ensuring that all the projects are delivered on time, on budget and that they generate the forecast outcomes. Cheshire East Council is the Accountable Body for the Local Growth Fund and DCLG is the contracting partner for the European funds.

The LEP has welcomed these new challenges. Within the year we have confirmed our strategic priorities, restructured our governance arrangements and strengthened our executive team, including appointing the first Chief Executive for the LEP.

The devolution of central funding to LEPs is still at an early stage. With devolution, and an increasingly large budget, comes increased scrutiny and an expectation that the LEP will be more transparent. In response the LEP has developed robust processes and systems to support decision making and ensure that the public money entrusted to it is being spent wisely and sensibly.

The 2014-15 year end position included a higher than budgeted surplus. Primarily this was due to unfilled vacancies within the Executive Team, which we could not fill because of uncertainty about future funding of LEPS discouraging people from accepting posts, which hampered our organisational development.

In 2015-16 the LEP is focusing on delivery and completing its organisational development and has developed a plan to complete this work using the surplus built up as a consequence of vacancies. The plan is likely to be completed by the end of this financial year, at which point the LEP will also have used the surplus built up in previous years.

For more information please see Cheshire and Warrington LEP's Annual Report 2014-15.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk facing the Company arises from reliance on national and local government funding.

The Company's senior management regularly review this risk and the potential impact on the Company and take mitigating action as necessary.

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2015**

GOING CONCERN

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

ON BEHALF OF THE BOARD:

C A Gaskell - Director

12 November 2015

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2015**

The directors present their report with the financial statements of the company for the year ended 31 March 2015.

DIVIDENDS

As the company is limited by guarantee it makes no distributions by dividends or any other means.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2014 to the date of this report.

C A Gaskell
H R Hopwood
N R Schofield
T J Wheeler
R P Davis
G A Barlow
T E M David
M J Ashcroft
P Waterman
H L Morrissey
M E Jones
T P O'Neill

Other changes in directors holding office are as follows:

C Baker - resigned 13 March 2015

C E Hayward , R J Mee and S M Dixon were appointed as directors after 31 March 2015 but prior to the date of this report.

M K Jones ceased to be a director after 31 March 2015 but prior to the date of this report.

EMPLOYMENT POLICIES

The company is committed to the principle of equal opportunities in employment and to ensuring that all employees receive fair treatment irrespective of their sex, religion, ethnic origin, or disability. The company is committed to improving the skills of its people. Through training and development and nurturing a culture in which they feel valued, the company encourages them to work to their full potential. The company has regular and open communication channels to involve staff in business developments.

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2015**

CORPORATE GOVERNANCE

The Board is committed to high standards of corporate governance and meets regularly. A number of matters are reserved for the Board's approval including the overall strategy for the company, annual budgets and business plans, major items of expenditure on projects and funding requirements from key stakeholders.

The Board has delegated responsibilities to the following committees, formally constituted with terms of reference:

Finance and Audit Committee

M J Ashcroft
T J Wheeler
N R Schofield

The Finance and Audit Committee oversees the effective operation of financial control and management reporting, and makes recommendations on the appointment of external auditors.

Appointments and Remuneration Committee

T E M David
C Gaskell
R P Davis

Appointments and Remuneration Committee oversees the identification and recommendation of the new directors to the Board and all strategy and policy matters on salaries and terms of employment of company employees.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2015**

AUDITORS

The auditors, Murray Smith LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

C A Gaskell - Director

12 November 2015

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP**

We have audited the financial statements of Cheshire & Warrington Local Enterprise Partnership for the year ended 31 March 2015 on pages nine to twenty one. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Michael Benson (Senior Statutory Auditor)
for and on behalf of Murray Smith LLP
Chartered Accountants
Statutory Auditor
Darland House
44 Winnington Hill
Northwich
Cheshire
CW8 1AU

12 November 2015

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	2015 £	2014 £
TURNOVER		950,819	991,422
Administrative expenses		<u>703,844</u>	<u>764,165</u>
OPERATING SURPLUS	3	246,975	227,257
Other finance income	10	<u>27,000</u>	<u>-</u>
		273,975	227,257
Other finance costs	10	<u>-</u>	<u>1,000</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		273,975	226,257
Tax on surplus on ordinary activities	4	<u>-</u>	<u>-</u>
SURPLUS FOR THE FINANCIAL YEAR		273,975	226,257
Retained surplus brought forward		<u>290,770</u>	<u>47,513</u>
		564,745	273,770
Actuarial gain or loss on defined benefit pension scheme		<u>(76,000)</u>	<u>17,000</u>
RETAINED SURPLUS CARRIED FORWARD		<u><u>488,745</u></u>	<u><u>290,770</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current or previous year.

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2015**

	2015 £	2014 £
SURPLUS FOR THE FINANCIAL YEAR	273,975	226,257
Actuarial gain/(loss) on retirement benefit scheme	<u>(76,000)</u>	<u>17,000</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u><u>197,975</u></u>	<u><u>243,257</u></u>

The notes form part of these financial statements

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**BALANCE SHEET
31 MARCH 2015**

	Notes	2015 £	£	2014 £	£
FIXED ASSETS					
Tangible assets	5		11,983		12,488
CURRENT ASSETS					
Debtors	6	54,995		310,017	
Cash at bank and in hand		<u>629,010</u>		<u>252,333</u>	
		684,005		<u>562,350</u>	
CREDITORS					
Amounts falling due within one year	7	<u>55,005</u>		<u>142,769</u>	
NET CURRENT ASSETS			<u>629,000</u>		<u>419,581</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			640,983		432,069
CREDITORS					
Amounts falling due after more than one year	8		(1,238)		(1,299)
PENSION LIABILITY			<u>(151,000)</u>		<u>(140,000)</u>
NET ASSETS			<u>488,745</u>		<u>290,770</u>
RESERVES					
Income and expenditure account			<u>488,745</u>		<u>290,770</u>
	12		<u>488,745</u>		<u>290,770</u>

The financial statements were approved by the Board of Directors on 12 November 2015 and were signed on its behalf by:

C A Gaskell - Director

H R Hopwood - Director

The notes form part of these financial statements

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	2015 £	2014 £
Net cash inflow from operating activities	1	382,245	145,766
Capital expenditure	2	(5,568)	(13,436)
Increase in cash in the period		<u>376,677</u>	<u>132,330</u>

**Reconciliation of net cash flow
to movement in net funds**

	3		
Increase in cash in the period		<u>376,677</u>	<u>132,330</u>
Change in net funds resulting from cash flows		<u>376,677</u>	<u>132,330</u>
Movement in net funds in the period		<u>376,677</u>	<u>132,330</u>
Net funds at 1 April		<u>252,333</u>	<u>120,003</u>
Net funds at 31 March		<u>629,010</u>	<u>252,333</u>

The notes form part of these financial statements

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2015**

1. RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Operating surplus	246,975	227,257
Depreciation charges	6,073	3,338
Decrease/(increase) in debtors	255,022	(197,806)
(Decrease)/increase in creditors	(87,825)	103,977
Difference between pension charge and cash contributions	(38,000)	9,000
Net cash inflow from operating activities	<u><u>382,245</u></u>	<u><u>145,766</u></u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2015 £	2014 £
Capital expenditure		
Purchase of tangible fixed assets	<u>(5,568)</u>	<u>(13,436)</u>
Net cash outflow for capital expenditure	<u><u>(5,568)</u></u>	<u><u>(13,436)</u></u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.14 £	Cash flow £	At 31.3.15 £
Net cash:			
Cash at bank and in hand	<u>252,333</u>	<u>376,677</u>	<u>629,010</u>
	<u>252,333</u>	<u>376,677</u>	<u>629,010</u>
Total	<u><u>252,333</u></u>	<u><u>376,677</u></u>	<u><u>629,010</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost accounting convention and in accordance with all applicable Accounting Standards.

Turnover

Turnover represents income from grants and donations received and the invoice value of subscriptions excluding Value Added Tax.

Tangible fixed assets

Fixed assets are stated at cost. Depreciation is being charged by equal annual instalments, commencing with the period in which the assets are first available for use, so as to write off each asset's cost, less any residual value, over its expected useful economic life. The following rates of depreciation have been used:-

Computer equipment	- 33.3% Straight line
Fixtures & Fittings	- 20% Straight line

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Pension costs and other post-retirement benefits

For defined benefit schemes the amount charged to the income and expenditure account in respect of pension costs and other post retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The interest cost and expected return on assets are included within other finance costs. Actuarial gains and losses arising from new valuations and from updating valuations to the balance sheet date are recognised in the Statement of Total Recognised Gains and Losses.

Defined benefit schemes are funded, with assets held separately from the company in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each balance sheet date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised on the balance sheet only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the balance sheet date. A pension scheme liability is recognised to the extent that the company has a legal or constructive obligation to settle the liability.

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Capital grants

These are treated as a deferred reserve and written off over the lifetime of the related assets.

Taxation

The company is a grant aided local agency organisation and its economic advisory activities are wholly maintained by contributions from altruistic member organisations. As a result the net surplus arising from these activities is treated as non-trading by virtue of Section 79 of the Income and Corporation Taxes Act 1988. The company is liable to corporation tax on bank interest and other investment income.

Grants

The income from grants is released to the profit and loss account as to apply the accruals concept of matching income and expenditure. Income is only recognised when there is reasonable assurance that the grant will be received.

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015**

2. STAFF COSTS

	2015	2014
	£	£
Wages and salaries	381,142	238,764
Social security costs	36,449	21,526
Other pension costs	38,456	30,600
	<u>456,047</u>	<u>290,890</u>

The average monthly number of employees during the year was as follows:

	2015	2014
Employees	<u>6</u>	<u>6</u>

Senior Employees

The LEP has chosen to disclose the remuneration of senior employees. These include the statutory officers and any person having responsibility for the management of the LEP, to the extent that the person has power to direct or control the major activities of the LEP. The figures below relate to 2014/15:

Job Title	Salary, Fees, Allowances & Bonuses £	Employer's Pension Contributions £	Expenses Allowances £	Total £
Chief Executive	92,468	11,008	556	104,032
Chief Operating Officer	95,000	25,951	249	121,200
Business Commissioning and Performance Manager	60,000	-	149	60,149
	<u>247,468</u>	<u>36,959</u>	<u>954</u>	<u>285,381</u>

3. OPERATING SURPLUS

The operating surplus is stated after charging:

	2015	2014
	£	£
Depreciation - owned assets	6,073	3,338
Auditors' remuneration	2,935	3,250
Accountancy	<u>4,565</u>	<u>4,363</u>
Directors' remuneration	20,000	63,750
Directors' pension contributions to money purchase schemes	<u>-</u>	<u>8,265</u>

The number of directors to whom retirement benefits were accruing was as follows:

Defined benefit schemes	<u>-</u>	<u>1</u>
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**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015**

4. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2015 nor for the year ended 31 March 2014.

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2015 £	2014 £
Surplus on ordinary activities before tax	<u>273,975</u>	<u>226,257</u>
Surplus on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2014 - 20%)	54,795	45,251
Effects of: Income not chargeable as from members	<u>(54,795)</u>	<u>(45,251)</u>
Current tax charge	<u>-</u>	<u>-</u>

5. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2014	4,733	79,189	83,922
Additions	<u>3,912</u>	<u>1,656</u>	<u>5,568</u>
At 31 March 2015	<u>8,645</u>	<u>80,845</u>	<u>89,490</u>
DEPRECIATION			
At 1 April 2014	4,206	67,228	71,434
Charge for year	<u>411</u>	<u>5,662</u>	<u>6,073</u>
At 31 March 2015	<u>4,617</u>	<u>72,890</u>	<u>77,507</u>
NET BOOK VALUE			
At 31 March 2015	<u>4,028</u>	<u>7,955</u>	<u>11,983</u>
At 31 March 2014	<u>527</u>	<u>11,961</u>	<u>12,488</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade debtors	42,439	303,597
Other debtors	1,249	568
Prepayments and accrued income	<u>11,307</u>	<u>5,852</u>
	<u>54,995</u>	<u>310,017</u>

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015**

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Trade creditors	22,969	93,095
Social security and other taxes	12,421	45,497
Accruals and deferred income	19,615	4,177
	<u>55,005</u>	<u>142,769</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2015	2014
	£	£
Deferred capital grants	<u>1,238</u>	<u>1,299</u>

9. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Other operating leases	
	2015	2014
	£	£
Expiring:		
Within one year	286	-
Between one and five years	-	381
	<u>286</u>	<u>381</u>

10. EMPLOYEE BENEFIT OBLIGATIONS

The company participates in a "multi-employer" scheme, "Cheshire Pension Fund", the assets of which are held in a separate trustee administered fund. Contributions are paid into the scheme in accordance with the recommendations of an independent actuary on the basis of triennial valuations.

In accordance with the Scheme's actuarial advice the company is making three lump sum payments of £31,000 each in the years ending 31 March 2015, 2016 and 2017 and increased employer contributions to address the deficit.

The three local authority members have committed to meet any pension deficit should the company not be able to discharge its liabilities.

The latest actuarial valuation was carried out at 31 March 2015.

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015**

10. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2015	2014
	£	£
Present value of funded obligations	(2,535,000)	(2,128,000)
Fair value of plan assets	2,384,000	1,988,000
	<u>(151,000)</u>	<u>(140,000)</u>
Present value of unfunded obligations	-	-
Deficit	<u>(151,000)</u>	<u>(140,000)</u>
Net liability	<u><u>(151,000)</u></u>	<u><u>(140,000)</u></u>

The amounts recognised in surplus or deficit are as follows:

	Defined benefit pension plans	
	2015	2014
	£	£
Current service cost	31,000	31,000
Interest cost	92,000	60,000
Expected return	(119,000)	(59,000)
Past service cost	-	-
	<u>4,000</u>	<u>32,000</u>
Actual return on plan assets	<u><u>343,000</u></u>	<u><u>797,000</u></u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2015	2014
	£	£
Opening defined benefit obligation	2,128,000	1,335,000
Current service cost	31,000	31,000
Contributions by scheme participants	13,000	9,000
Interest cost	92,000	60,000
Actuarial losses/(gains)	300,000	721,000
Benefits paid	(29,000)	(28,000)
	<u>2,535,000</u>	<u>2,128,000</u>

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015**

10. EMPLOYEE BENEFIT OBLIGATIONS - continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2015	2014
	£	£
Opening fair value of scheme assets	1,988,000	1,188,000
Contributions by employer	69,000	22,000
Contributions by scheme participants	13,000	9,000
Expected return	119,000	59,000
Actuarial gains/(losses)	224,000	738,000
Benefits paid	(29,000)	(28,000)
	<u>2,384,000</u>	<u>1,988,000</u>

The amounts recognised in the statement of recognised gains and losses are as follows:

	Defined benefit pension plans	
	2015	2014
	£	£
Actuarial gains/(losses)	<u>(76,000)</u>	<u>17,000</u>
	<u>(76,000)</u>	<u>17,000</u>
Cumulative amount of actuarial gains/(losses)	<u>(349,000)</u>	<u>(273,000)</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2015	2014
	£	£
Equities	1,049,000	1,472,000
Bonds	1,120,000	258,000
Property	191,000	139,000
Cash	24,000	119,000
	<u>2,384,000</u>	<u>1,988,000</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2015	2014
Discount rate	3.20%	4.30%
Expected return on scheme assets	3.20%	5.90%
Future salary increases	3.30%	3.60%
Future pension increases	2.40%	2.80%

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015**

10. EMPLOYEE BENEFIT OBLIGATIONS - continued

Amounts for the current and previous four periods are as follows:

	2015	2014	2013	2012	2011
	£	£	£	£	£
Defined benefit pension plans					
Defined benefit obligation	(2,535,000)	(2,128,000)	(1,335,000)	(1,104,000)	(965,000)
Fair value of scheme assets	2,384,000	1,988,000	1,188,000	1,041,000	978,000
Deficit	(151,000)	(140,000)	(147,000)	(63,000)	13,000
Experience adjustments on scheme liabilities	19,000	(787,000)	1,000	(8,000)	50,000
Experience adjustments on scheme assets	224,000	738,000	69,000	(33,000)	(17,000)

11. RELATED PARTY DISCLOSURES

During the year the company entered into transactions in the normal course of business with the following member organisations, in which common directors have non financial interests, to deliver the economic development services in the Cheshire and Warrington sub region.

Contributions received towards operating costs:

Warrington Borough Council	£144,000
Cheshire East Council	£24,000
Cheshire West and Chester Council	£24,000

Government Core Funding and Growing Places Fund operating costs totalling £758,816 (2014 - £797,430) was also received through Cheshire East Council in its role as the accountable body.

Amounts paid for projects in year:

Warrington Borough Council	£47,895
Cheshire East Council	£39,325
Cheshire West and Chester Council	£nil

In addition to the above, Cheshire West and Chester Council waived the annual rent charge to the company which would have amounted to £27,000.

The amounts outstanding from/(to) member organisations by the company are summarised as follows:

Warrington Borough Council	£33,298	(2014 - £33,298)
Cheshire East Council	£17,446	(2014 - £270,299)
Cheshire West & Chester Council	£(8,304)	(2014 - £nil)

12. RECONCILIATION OF MOVEMENTS IN RESERVES

	2015	2014
	£	£
Surplus for the financial year	273,975	226,257
Other recognised gains and losses relating to the year (net)	(76,000)	17,000
Net addition to reserves	197,975	243,257
Opening reserves	290,770	47,513
Closing reserves	488,745	290,770

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015**

13. LIMITED LIABILITY

Liability is limited by guarantee to £1 per member. The number of members at the period end was three.

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2015**

	2015		2014	
	£	£	£	£
Turnover				
LA subscriptions	72,000		72,000	
WBC contribution	120,000		120,000	
LEP Core Funding	503,002		558,847	
Growing Places Fund	255,817		178,419	
Other income	-		13,256	
DFT award	-		48,900	
	<u> </u>	950,819	<u> </u>	991,422
Expenditure				
Insurance	4,619		2,492	
Directors' salaries	20,000		63,750	
Directors' social security	1,662		6,497	
Directors' pension contributions	-		8,265	
Wages	361,142		175,014	
Social security	34,787		15,029	
Pensions	38,456		22,335	
Telephone	4,039		5,359	
Post, stationery and consumables	5,992		5,216	
Travel and subsistence	19,910		10,321	
IT support	14,601		9,320	
Relocation expenses	-		5,723	
Bank charges	329		284	
Legal & professional	1,313		9,338	
Strategy development work	43,325		184,541	
Executive support	19,591		37,703	
Communications, PR and website	70,762		71,999	
Growing Places Fund professional fees	55,816		68,419	
LEP core funding costs	-		54,947	
Auditors' remuneration	2,935		3,250	
Accountancy	4,565		4,363	
	<u> </u>	703,844	<u> </u>	764,165
		246,975		227,257
Other finance income/costs				
Interest income on pension scheme assets	119,000		59,000	
Interest on pension scheme liabilities	(92,000)		(60,000)	
	<u> </u>	27,000	<u> </u>	(1,000)
NET SURPLUS		<u> </u>	<u> </u>	<u> </u>
		273,975	226,257	226,257

This page does not form part of the statutory financial statements